GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1839
ANSWERED ON:01.08.2003
EXTERNAL BORROWINGS
PRAKASH YASHWANT AMBEDKAR

Will the Minister of FINANCE be pleased to state:

(a) the total external borrowing made by public sector and Indian Government in the years 2001-02, 2002-03;

(b) whether sovereign guarantee has been given by the Government; and

(c) if so, the reasons for giving the sovereign guarantee?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO V. ADSUL)

(a) & (b) The total external debt of the Public Sector and Indian Governmentoutstanding at the end-March 2001, end-March 2002 and end-Dec. 2002 (latest available) are given below:

(US $ billion)

	end-Mar01	end-Mar02	end-Dec02
1. Government Debt	44.0	43.6	45.8
2. Public Sector Debt#	9.0	8.2	7.1
3. External Debt with Government Guarantee (a+b+c)	6.3	7.0	6.4
a. Financial Sector	1.4	1.6	1.4
b. Public Sector	4.6	5.2	4.9
c. Private Sector	0.3	0.2	0.07

: Public sector debt represents borrowings of non-financial public sector enterprises.

(c) Government of India provides guarantees on selective basis to the Public SectorEnterprises for their external borrowings wherever it is an inescapable and unavoidable condition of the lender. A Guarantee fee is charged by the Government for this purpose to cover its `contingent liability`.